

Designation Run Report

- Eric Cherveny Plaintiff Submissions

Cherveny, Eric 11-09-2018

Plaintiffs Affirmative Designations 00:20:21

Defense Completeness Counters 00:01:32

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11:7 - 11:17	Cherveny, Eric 11-09-2018 (00:00:19) 11:7 Q. Mr. Cherveny, before we get 11:8 started, can you just spell your first 11:9 and last name on the record to make sure 11:10 it's clear? 11:11 A. Yeah. Eric, E-R-I-C. Last 11:12 name Cherveny, C-H-E-R-V-E-N-Y. 11:13 Q. Okay. Thank you. 11:14 And you understand that 11:15 you're here as a fact witness today to 11:16 give a deposition, correct? 11:17 A. Yes.	CE01.1
56:20 - 57:3	Cherveny, Eric 11-09-2018 (00:00:10) 56:20 Q. Okay. And then you made a 56:21 comment earlier that while you were doing 56:22 that, you got noticed by the executives. 56:23 Did I get that right? 56:24 A. Yes. 57:1 Q. Okay. Who would the 57:2 executives have been and what did they 57:3 notice?	CE01.2
57:6 - 57:16	Cherveny, Eric 11-09-2018 (00:00:21) 57:6 THE WITNESS: They noticed 57:7 that I broke -- that I was pretty 57:8 good at English, and I was able to 57:9 break down the -- the interview 57:10 interrogations into paragraphs. I 57:11 was able to break -- break the 57:12 grammar down properly in the 57:13 interrogation report that I 57:14 transcribed. So basically, they 57:15 just noticed the reports that I 57:16 was generating for them.	CE01.3
57:18 - 57:22	Cherveny, Eric 11-09-2018 (00:00:13) 57:18 Q. And who would the executives 57:19 have been? 57:20 A. Chris Zimmerman and the 57:21 investigators that I was conducting the 57:22 transcriptions for.	CE01.4
58:22 - 59:7	Cherveny, Eric 11-09-2018 (00:00:22)	CE01.5

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58:22 Q. And after you got noticed by
58:23 the executives, was there a change in
58:24 your job responsibilities?

59:1 A. Yes.

59:2 Q. What was the change?

59:3 A. I was moved upstairs. And I
59:4 was given the responsibility of taking
59:5 over subpoenas, information requests from
59:6 state and federal agencies, as well as
59:7 licensing.

61:7 - 61:24

Cherveny, Eric 11-09-2018 (00:00:42)

CE01.6

61:7 Q. Okay. So you said there was
61:8 a merger in 2001?

61:9 A. Yes.

61:10 Q. Okay. And that was between
61:11 Bergen Brunswick and who?

61:12 A. Amerisource Health.

61:13 Q. Was there any change in your
61:14 responsibilities at the time of the
61:15 merger?

61:16 A. Yes.

61:17 Q. And what was that?

61:18 A. I was relocated from Orange,
61:19 California, to Chesterbrook,
61:20 Pennsylvania, and I continued to conduct
61:21 the licensing and information requests
61:22 for a period of time, but -- but shortly
61:23 thereafter I took over the east region as
61:24 a regulatory manager.

199:18 - 201:18

Cherveny, Eric 11-09-2018 (00:01:43)

CE01.7

199:18 Q. My name is Mark Pifko. I
199:19 also represent the plaintiffs in this
199:20 matter. I'm going to be asking you some
199:21 questions. Okay?

199:22 A. Yes.

199:23 Q. Do you understand that
199:24 you're still under oath?

200:1 A. Yes, I do.

200:2 Q. All right. Before the
200:3 break, you mentioned that you had some

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200:4 investigative responsibilities as well
200:5 after you moved to Philadelphia, or
200:6 Pennsylvania, correct?
200:7 A. In the form of -- yeah, I
200:8 was a regional director, you know, during
200:9 that period of time. And I did have some
200:10 investigative responsibilities.
200:11 Q. Okay. What specifically
200:12 were your investigative responsibilities
200:13 at that time? And let's be clear about
200:14 dates. So when was the first time that
200:15 you took on investigative
200:16 responsibilities?
200:17 A. I conducted various
200:18 investigations throughout my tenure as a
200:19 regional director, supervisor, manager
200:20 throughout that period.
200:21 Q. And that was from 2002 to
200:22 2015?
200:23 A. Yes.
200:24 Q. Okay. So when you took the
201:1 job in 2002, we talked about that
201:2 earlier, that was a new job, correct?
201:3 A. It was new --
201:4 Q. New responsibilities?
201:5 A. Yes.
201:6 Q. And among those
201:7 responsibilities was performing or
201:8 supervising investigations; is that
201:9 correct?
201:10 A. Well, I didn't really
201:11 supervise investigations. I conducted
201:12 investigations as part of my role of
201:13 being a regional director.
201:14 Q. Okay. You conducted all
201:15 the -- to the extent an investigation was
201:16 conducted while you were regional
201:17 director, it was conducted exclusively by
201:18 you?

201:21 - 202:2

Cherveny, Eric 11-09-2018 (00:00:07)

CE01.8

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201:21 THE WITNESS: I would
 201:22 conduct my own investigations. I
 201:23 also worked with our investigative
 201:24 team on certain investigations
 202:1 depending on what we were
 202:2 investigating.

202:4 - 203:2

Cherveny, Eric 11-09-2018 (00:00:48)

CE01.49

202:4 Q. Okay. Let's talk about the
 202:5 nature and scope of the investigations
 202:6 that you conducted. Were there different
 202:7 types of investigations that you
 202:8 conducted?

202:9 A. Yes, a whole array.

202:10 Q. All right. Can you name
 202:11 some of them today?

202:12 A. As a regional director, I
 202:13 did a lot of theft investigations. I
 202:14 think that would be the lion's share of
 202:15 the investigation types that I conducted.

202:16 Q. And --

202:17 A. In --

202:18 Q. I'm sorry. Continue. I
 202:19 don't want to interrupt you.

202:20 A. In addition to that, I did
 202:21 construct investigations from 2005 to
 202:22 2007. I would review what we call the
 202:23 possible suspicious order reports. And
 202:24 this was a function that was assigned to
 203:1 me as a collateral duty outside of my
 203:2 responsibility as regional director.

209:6 - 209:18

Cherveny, Eric 11-09-2018 (00:00:20)

CE01.10

209:6 Q. Did the company have a
 209:7 database where they kept subpoenas and
 209:8 investigative requests of that nature
 209:9 that you were responsible for responding
 209:10 to in a centralized location?

209:11 A. Yeah. In that time period
 209:12 we had, we had a system.

209:13 Q. Okay. What was the name of
 209:14 that system?

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209:15 A. I believe it was law -- Law
 209:16 Track or Law Pack. I think it
 209:17 transitioned from one to the other, but
 209:18 again, that was a long time ago.

210:4 - 211:4

Cherveny, Eric 11-09-2018 (00:00:54)

CE01.11

210:4 Q. Do you know the period for
 210:5 how long those kinds of investigations
 210:6 and requests would be maintained on that
 210:7 system?

210:8 A. Well, they were maintained
 210:9 from that point all the way until, you
 210:10 know, roughly in the last year or two
 210:11 when we switched systems.

210:12 Q. Okay. And then when you
 210:13 switched systems, what -- what did you do
 210:14 with the data, do you know?

210:15 A. The data was transferred to
 210:16 another system for maintenance, and it's
 210:17 still there. It's still retrievable by
 210:18 us.

210:19 Q. Okay. Is that -- from time
 210:20 to time do you ever go back and, for
 210:21 business reasons, look at that data?

210:22 A. I do. I don't do it as much
 210:23 as my investigators do. They are the
 210:24 ones that are doing the day-to-day
 211:1 investigations for the most part. But
 211:2 they do go in there readily. I mean,
 211:3 that's where all the old information is
 211:4 so...

211:23 - 212:10

Cherveny, Eric 11-09-2018 (00:00:24)

CE01.12

211:23 Q. Okay. What are the types of
 211:24 occasions on which you would -- you would
 212:1 seek to obtain information from that
 212:2 historic system?

212:3 A. During any investigation.
 212:4 If we're looking into a customer and we
 212:5 want to see their background, what we
 212:6 have in their due diligence file, we
 212:7 would go into either system to see what

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226:24 - 227:3	<p>212:8 we have on them. So that would be a 212:9 result of investigations or subpoenas, 212:10 any number of reasons.</p> <p>Cherveny, Eric 11-09-2018 (00:00:08)</p> <p>226:24 Q. So there's someone whose job 227:1 it is to sit at a computer terminal and 227:2 monitor the orders that are getting 227:3 flagged for various failures?</p>	CE01.13
227:6 - 227:11	<p>Cherveny, Eric 11-09-2018 (00:00:07)</p> <p>227:6 THE WITNESS: Yeah. It's -- 227:7 I think in most cases it's the 227:8 processing manager of the 227:9 distribution center. He kind of 227:10 runs brains of the distribution 227:11 center.</p>	CE01.14
228:14 - 228:22	<p>Cherveny, Eric 11-09-2018 (00:00:19)</p> <p>228:14 Q. And this data 228:15 manager, are they the person who's 228:16 responsible for then making a -- I'm 228:17 talking about something that hits the 228:18 order monitoring program issue. Is that 228:19 person responsible for making a 228:20 determination about whether there's an 228:21 issue with the order or do they send 228:22 it -- send it to someone else?</p>	CE01.15
229:5 - 229:6	<p>Cherveny, Eric 11-09-2018 (00:00:03)</p> <p>229:5 Q. At any time. Did it vary 229:6 over the time period?</p>	CE01.41
229:7 - 230:5	<p>Cherveny, Eric 11-09-2018 (00:00:50)</p> <p>229:7 A. Yeah. Well, we used to have 229:8 responsible persons in charge, as I 229:9 previously discussed. So generally 229:10 speaking, the data processing manager 229:11 would be one of the RPICs for the 229:12 servicing distribution center. 229:13 So that individual would 229:14 look at the order if it did hit an OMP 229:15 hold, and they would make a 229:16 determination. Based on their training, 229:17 they would release the order for</p>	CE01.16

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229:18 shipment, or they would escalate the
229:19 order to the diversion control team at
229:20 corporate.

229:21 Q. Okay. And what was the time
229:22 period when that process was used?

229:23 A. We ceased use of the RPICs
229:24 shortly after I took over the program in
230:1 2015. So I believe the RPIC existed, you
230:2 know, from -- from probably summer of
230:3 2015 back to a period that I don't
230:4 recall. I don't remember when they were
230:5 implemented.

238:4 - 238:16

Cherveny, Eric 11-09-2018 (00:00:22)

CE01.17

238:4 Q. You mentioned that from time
238:5 to time you go back and access or
238:6 investigators go back and access
238:7 historical records. Are those audit
238:8 reports something that people access and
238:9 you've accessed?

238:10 A. Yes. That would be part of
238:11 our due diligence documentation that
238:12 would be readily retrievable and used
238:13 from time to time as necessary.

238:14 Q. Okay. And so this day you
238:15 can still access them and use them?

238:16 A. Yes.

249:9 - 250:8

Cherveny, Eric 11-09-2018 (00:00:54)

CE01.18

249:9 Q. We talked about --
249:10 you mentioned that in 2005, you took on
249:11 some role as performing investigations
249:12 for the company, correct?

249:13 A. That's correct.

249:14 Q. Okay. Do you remember how
249:15 you came to -- you said that that was an
249:16 additional responsibility that you took
249:17 on. Do you remember saying that?

249:18 A. Yes, I do.

249:19 Q. Okay. Do you remember how
249:20 you came on to take on that additional
249:21 responsibility?

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	249:22 A. It was so long ago. It was 249:23 13 years ago. I know it was assigned to 249:24 me as a collateral duty in addition to my 250:1 audit responsibilities and my 250:2 responsibilities for my region. But I 250:3 don't remember how it actually came to 250:4 me. 250:5 Q. Are you aware that Mr. Mays 250:6 had a meeting with Mr. Mapes and Kyle 250:7 Wright in August of 2005? 250:8 A. No.	
250:14 - 251:3	Cherveny, Eric 11-09-2018 (00:00:44) 250:14 Q. Okay. Do you recall 250:15 Mr. Mays coming to you and -- and saying 250:16 the -- the DEA was interested in 250:17 increasing the level of due diligence 250:18 that distributors should be conducting on 250:19 their customers as a result of internet 250:20 pharmacy concerns? 250:21 A. No, I don't recall that. 250:22 Q. Mr. Mays received a 250:23 presentation from the DEA at that time 250:24 concerning due diligence and regulatory 251:1 requirements and internet pharmacies. Do 251:2 you know if he shared that with you at 251:3 that time in 2005?	CE01.19
251:6 - 251:7	Cherveny, Eric 11-09-2018 (00:00:01) 251:6 THE WITNESS: If he did, I 251:7 don't remember it.	CE01.20
254:22 - 255:7	Cherveny, Eric 11-09-2018 (00:00:32) 254:22 Q. So you don't recall 254:23 Mr. Mays ever coming back and telling any 254:24 members of the team -- I know you said 255:1 you specifically, but my question is, do 255:2 you recall whether Mr. Mays had a meeting 255:3 with the team at any point saying the DEA 255:4 is concerned about suspicious order 255:5 requirements and internet pharmacies and, 255:6 you know, they want us to take on some 255:7 additional due diligence efforts?	CE01.21

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255:10 - 255:11	Cherveny, Eric 11-09-2018 (00:00:02) 255:10 THE WITNESS: It's been so 255:11 many years. I just don't recall.	CE01.22
261:13 - 261:21	Cherveny, Eric 11-09-2018 (00:00:45) 261:13 Q. So I'm handing you what's 261:14 marked as Exhibit 1. For the record, 261:15 it's a few-page document, Bates-labeled 261:16 ABDCMDL00146183 through 146186. And it's 261:17 an e-mail attaching a memorandum of 261:18 understanding from April 20th, 2000. And 261:19 the e-mail is dated December 11, 2013, 261:20 from the witness to Bruce Gundy. It 261:21 talks about a Columbus MOU.	CE01.23
262:2 - 262:4	Cherveny, Eric 11-09-2018 (00:00:05) 262:2 Q. Do you remember discussing 262:3 this MOU with Mr. Gundy? 262:4 A. No, I do not.	CE01.42
262:5 - 262:7	Cherveny, Eric 11-09-2018 (00:00:06) 262:5 Q. Do you have any 262:6 reason to dispute that you had the 262:7 discussion with Mr. Gundy about this MOU?	CE01.47
262:10 - 262:13	Cherveny, Eric 11-09-2018 (00:00:03) 262:10 THE WITNESS: No. The 262:11 document indicates that I 262:12 forwarded this document to him. 262:13 So I wouldn't dispute that.	CE01.48
262:15 - 262:17	Cherveny, Eric 11-09-2018 (00:00:06) 262:15 Q. Okay. Do you remember 262:16 looking into what this MOU was about? 262:17 A. No.	CE01.43
262:18 - 264:10	Cherveny, Eric 11-09-2018 (00:01:31) 262:18 Q. The title of the document as 262:19 referenced in the first page, 262:20 ABDCMDL146183 it has the attachment, the 262:21 subject is "Columbus MOU." 262:22 Do you see that? 262:23 A. Yes, I do. 262:24 Q. Do you have an understanding 263:1 about whether this was specific to a 263:2 facility in Columbus?	CE01.24

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263:3 A. Yes. It looks like it was
 263:4 an -- it was an MOU for our Columbus
 263:5 distribution center.
 263:6 Q. Okay. It's got here --
 263:7 going to MDL -- ABDCMDL00146184, it tells
 263:8 -- it says, "The notice of hearing allege
 263:9 that prohibited acts occurred in
 263:10 violation of the Comprehensive Drug
 263:11 Enforcement Administration Abuse
 263:12 Prevention and Control Act of 1970 and
 263:13 the regulations promulgated thereunder,
 263:14 namely that the respondent, Amerisource
 263:15 Corporation has" -- and then it's got
 263:16 four issues here.
 263:17 Do you see that?
 263:18 A. Yes.
 263:19 Q. Okay. And one of them is,
 263:20 "Failed to provide effective controls and
 263:21 procedures to guard against the theft and
 263:22 diversion of controlled substances
 263:23 required by 21 C.F.R. 1301.71(a)."
 263:24 Do you see that?
 264:1 A. Yes, I do.
 264:2 Q. Do you have an understanding
 264:3 about what that alleged prohibited act
 264:4 was about?
 264:5 A. With regard to this
 264:6 particular MOU?
 264:7 Q. Yes.
 264:8 A. It happened in 2000. It's
 264:9 just so long ago. I don't recall this
 264:10 particular occurrence.

266:24 - 268:7

Cherveny, Eric 11-09-2018 (00:01:14)

CE01.25

266:24 Q. It says here at the 146185,
 267:1 "The respondents having been fully
 267:2 advised of the prohibited acts which have
 267:3 occurred have agreed to comply with the
 267:4 provisions of the comprehensive Drug
 267:5 Enforcement Administration Abuse,
 267:6 Prevention and Control Act of 1970 and

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267:7 the regulations issued thereunder
 267:8 hereafter set forth." And then it's got
 267:9 four items.
 267:10 Do you see that?
 267:11 A. Yes.
 267:12 Q. Okay. It says, "Respondent
 267:13 will provide effective controls and
 267:14 procedures to guard against theft and
 267:15 diversion of controlled substances
 267:16 required by 21 C.F.R. 1301.71(a)."
 267:17 Do you see that?
 267:18 A. Yes.
 267:19 Q. Do you have any
 267:20 understanding about what steps were taken
 267:21 to comply with that?
 267:22 A. No. Having been so long
 267:23 ago, you know, 18 years ago, I don't
 267:24 recall this at all. So I don't know what
 268:1 steps were taken.
 268:2 Q. Do you recall anything
 268:3 unique to the Columbus facility as far as
 268:4 how they were performing their duties or
 268:5 procedures when you first came into the
 268:6 role as regional director?
 268:7 A. No.

273:9 - 274:22

Cherveny, Eric 11-09-2018 (00:01:27)

CE01.26

273:9 Q. So you knew that if you
 273:10 wanted guidance from the DEA, it would be
 273:11 more appropriate to ask someone at
 273:12 headquarters than someone at a regional
 273:13 level?
 273:14 A. Yeah. Their -- their
 273:15 opinion would carry more weight from our
 273:16 standpoint as a wholesaler.
 273:17 Q. Let's go back to
 273:18 the additional investigation
 273:19 responsibility that you took on in 2005.
 273:20 What -- I asked you if you remembered how
 273:21 you kind of came to take that on. You
 273:22 said you didn't really have a clear

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273:23 direct remembrance of the meeting or
 273:24 specific thing. But you just remember
 274:1 that you took it on, correct?
 274:2 A. That's correct.
 274:3 Q. Okay. So, what specifically
 274:4 were these additional investigation
 274:5 responsibilities that you took on at that
 274:6 time?
 274:7 A. So the report that I
 274:8 reviewed that generated periodically was
 274:9 called the possible suspicious order
 274:10 report. So that report was generated
 274:11 based on pre-set parameters, and it would
 274:12 come to my office. I would separate it
 274:13 by customer, and I would conduct separate
 274:14 investigations pursuant to that report,
 274:15 to those customers.
 274:16 Q. Do you know how that report
 274:17 was generated?
 274:18 A. I don't recall. I don't
 274:19 recall the parameters and I don't recall
 274:20 how it was generated. I just know that
 274:21 it was generated and it came to my
 274:22 office.

276:3 - 276:6 **Cherveny, Eric 11-09-2018 (00:00:07)**

CE01.27

276:3 Q. Who told you that your new
 276:4 responsibility was to look at this
 276:5 report?

276:6 A. I believe it was Steve Mays.

276:12 - 276:22 **Cherveny, Eric 11-09-2018 (00:00:17)**

CE01.28

276:12 Q. How would this report come
 276:13 to you, by -- by e-mail?

276:14 A. No, it would come in
 276:15 hardcopy.

276:16 Q. Okay. Through like
 276:17 interoffice mail?

276:18 A. Yeah, I don't know where it
 276:19 was generated from. But I know that it
 276:20 was -- it would end up on my desk at the
 276:21 predesignated time, you know, at the

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277:9 - 279:4

276:22 frequency that it was established for.

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CE01.29

277:9 Q. Okay. And then it was your

277:10 job to look at the -- I'm sorry if I

277:11 didn't -- if I didn't hear you, the

277:12 orders or the customers that were on this

277:13 list?

277:14 A. It was -- it was orders and

277:15 it was broken down by customers.

277:16 Q. Okay. So it was your job to

277:17 look at all the orders on this list?

277:18 A. Yes.

277:19 Q. And how did you know, did

277:20 someone train you about what you were

277:21 supposed to look for when you were

277:22 looking at this?

277:23 A. I don't remember

277:24 specifically how I was instructed to --

278:1 to review the report. I don't remember

278:2 how I was instructed.

278:3 Q. Do you know who would have

278:4 given you the instructions?

278:5 A. I believe Steve would have

278:6 done that.

278:7 Q. Okay. And so tell me what

278:8 your recollection of what you were

278:9 supposed to look at on this report was.

278:10 A. So the report contained

278:11 sales data for customers. And I believe

278:12 it was Oxycodone and hydrocodone

278:13 products. If they breached a parameter,

278:14 it would trigger this report to be

278:15 generated. So I got the report

278:16 periodically and it may have been, you

278:17 know, I don't remember how much it was,

278:18 but I would separate it by customer,

278:19 because it would be, I believe

278:20 alphabetical or it might have been by DEA

278:21 number. But it would basically be, you

278:22 know, one customer, then another

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	278:23 customer, and it would just be -- it 278:24 would span multiple customers in 279:1 grouping. So I would group them in 279:2 separate -- in separate files and then I 279:3 would conduct the investigation of those 279:4 customers.	
279:5 - 279:20	Cherveny, Eric 11-09-2018 (00:00:34) 279:5 Q. Okay. And then what -- what 279:6 things would you do to conduct the 279:7 investigation of those customers? 279:8 A. I had a couple support staff 279:9 within the CSRA department that I used to 279:10 assist me with this, that I would work 279:11 with those individuals to contact the 279:12 sales executive, to contact the customer 279:13 to inquire as to why they were buying, 279:14 you know, that quantity of controlled 279:15 substances. We would collect all the 279:16 information on the customer. We would 279:17 take their responses to our questions and 279:18 our follow-up questions, and we would 279:19 complete an investigation of each 279:20 customer.	CE01.44
279:21 - 280:1	Cherveny, Eric 11-09-2018 (00:00:11) 279:21 Q. Would there be some sort of 279:22 document that you would create at the 279:23 culmination of your investigation? 279:24 A. Yeah. It would be an 280:1 investigation report.	CE01.30
280:6 - 280:8	Cherveny, Eric 11-09-2018 (00:00:06) 280:6 Q. And then was there a goal of 280:7 the investigation that you were trying to 280:8 determine something?	CE01.45
280:11 - 281:7	Cherveny, Eric 11-09-2018 (00:00:33) 280:11 THE WITNESS: We were trying 280:12 to determine if any improprieties 280:13 were happening with regard to 280:14 those orders. I would -- I would 280:15 collect all the information that 280:16 I -- that I could from the	CE01.46

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	<p>280:17 customer to explain, you know, the</p> <p>280:18 reasoning as to why they were</p> <p>280:19 buying that quantity of controls,</p> <p>280:20 and I would take the findings and</p> <p>280:21 I would, you know, provide it to</p> <p>280:22 Steve Mays. And what he did with</p> <p>280:23 it, you know, I'm not sure.</p> <p>280:24 Because at that point the</p> <p>281:1 decision -- the decisionmaking</p> <p>281:2 regarding my investigation that I</p> <p>281:3 completed was conducted, you know,</p> <p>281:4 outside of my realm. So I'm not</p> <p>281:5 sure what the -- what the -- what</p> <p>281:6 the results of those -- those</p> <p>281:7 investigations entailed.</p>	
281:9 - 282:19	<p>Cherveny, Eric 11-09-2018 (00:01:01)</p> <p>281:9 Q. Did you make any</p> <p>281:10 recommendations for actions in the</p> <p>281:11 report?</p> <p>281:12 A. You know, it's been so long</p> <p>281:13 ago, I don't recall.</p> <p>281:14 Q. Do you recall if one of the</p> <p>281:15 things that you were evaluating was</p> <p>281:16 whether to fill the order?</p> <p>281:17 A. Well, keep in mind this was</p> <p>281:18 a system that we operated that was</p> <p>281:19 prior -- prior to the system that held</p> <p>281:20 orders.</p> <p>281:21 Q. Okay.</p> <p>281:22 A. So this was investigations</p> <p>281:23 that occurred after the shipment was</p> <p>281:24 already completed.</p> <p>282:1 Q. Okay. So it's your</p> <p>282:2 understanding that all these orders and</p> <p>282:3 in the possible suspicious order report</p> <p>282:4 had already been shipped; is that</p> <p>282:5 correct?</p> <p>282:6 A. Yes. Those were -- those</p> <p>282:7 were orders that have already been</p> <p>282:8 shipped. That's correct.</p>	CE01.31

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282:9 Q. Okay. And you would look at
 282:10 it to evaluate whether there were
 282:11 concerns, and you would generate a
 282:12 report, but you didn't make any
 282:13 recommendations for a course of action
 282:14 going forward; is that correct?

282:15 A. That's correct.

282:16 Q. You provided that to Steve
 282:17 Mays, the report?

282:18 A. Yes. I believe I give it
 282:19 directly to Steve Mays.

299:20 - 300:8 **Cherveny, Eric 11-09-2018 (00:00:25)**

CE01.32

299:20 Q. Are you aware that the
 299:21 company reported suspicious orders to the
 299:22 DEA before 2007?

299:23 A. I did not know that. I
 299:24 didn't know when it started. I didn't
 300:1 know when that happened or how it
 300:2 happened.

300:3 Q. Are you aware that the
 300:4 company has a duty to identify and report
 300:5 suspicious orders?

300:6 A. Yes. We have a
 300:7 responsibility to report suspicious
 300:8 orders.

300:16 - 301:3 **Cherveny, Eric 11-09-2018 (00:00:19)**

CE01.33

300:16 So you are aware that
 300:17 that's a requirement that the company
 300:18 has, correct?

300:19 A. Yes, to review orders and
 300:20 identify suspicious orders and block them
 300:21 and report them.

300:22 Q. Okay. Is that a new
 300:23 requirement?

300:24 A. No.

301:1 Q. Okay. That's something that
 301:2 you've always been required to do,
 301:3 correct?

301:6 - 301:6 **Cherveny, Eric 11-09-2018 (00:00:01)**

CE01.34

301:6 THE WITNESS: Yes.

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301:8 - 301:11	Cherveny, Eric 11-09-2018 (00:00:08) 301:8 Q. As long as your tenure with 301:9 the company going back to the late '90s, 301:10 correct? 301:11 A. Yes.	CE01.35
320:17 - 321:3	Cherveny, Eric 11-09-2018 (00:00:26) 320:17 Q. Did anyone contact 320:18 you when the Orlando facility first got 320:19 the order to show cause? 320:20 A. I don't remember who 320:21 contacted me. 320:22 Q. At some point, someone 320:23 contacted you about this issue, the fact 320:24 that the Orlando registration had been 321:1 suspended, correct? 321:2 A. I would say that I became 321:3 aware of it.	CE01.50
321:7 - 321:14	Cherveny, Eric 11-09-2018 (00:00:15) 321:7 Q. You were conducting audits 321:8 at that time, correct? 321:9 A. Yes. 321:10 Q. Did anyone tell you that 321:11 there should be changes in the way the 321:12 company conducts its audit process to 321:13 prevent things like this from happening? 321:14 A. No, not that I recall.	CE01.51
342:10 - 342:11	Cherveny, Eric 11-09-2018 (00:00:05) 342:10 Q. You agree with -- that an 342:11 MOU is not -- not good?	CE01.52
342:17 - 342:19	Cherveny, Eric 11-09-2018 (00:00:01) 342:17 THE WITNESS: Yeah, from a 342:18 regulatory standpoint we don't 342:19 like MOUs.	CE01.53
342:21 - 342:23	Cherveny, Eric 11-09-2018 (00:00:03) 342:21 Q. Why is that? 342:22 A. Because we were doing 342:23 something wrong, according to DEA.	CE01.54

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Plaintiffs Affirmative Designations = 00:20:21

Defense Completeness Counters = 00:01:32

Plaintiff Counter Counters = 00:00:10

Total Time = 00:22:03